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THE AGRICULTURAL ADJUSTMENT ADMINISTRATION FARM RECORD BOOKS.

By P. V. Kepner, Extension Service, and D. P. Trent Agricultural Adjustment Administration. Far and home hour May 17, 1934.

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MR. KEPNER:

Mr Trent I have heard quite a few comments recently regarding a farm record book which, I understand, is being provided by the Agricultural Adjustment Administration. Is it a fact that the Administration is putting out such a book?

MR. TRENT:

Yes, that is a fact. The Agricultural Adjustment Administration is providing over 2 1/2 million farm record books, some of which have gone into every state in the Union.

MR. KEPNER:

That sounds like a lot of record books to me. Are you sending a record book to every farmer in the country?

MR. TRENT:

No, we could not do that. Although every farmer would probably be benefited by keeping such a record there are too many farmers in the United States for the Administration to undertake the task of supplying each one with a record book. Our activities are necessarily limited to those farmers who are cooperating with the Administration in one or more of the production adjustment programs.

MR. KEPNER:

Am I to understand then that a farmer must be a cooperator, or a signer of a production adjustment agreement, in order to be eligible to receive one of these books.

MR. TRENT:

That is correct. We are attempting to furnish each contract signer with a copy.

MR. KEPNER:

How about cost? Is there any charge for these books? You know that is a rather important item these days.

MR. TRENT:

I know the cost part is an important item. But to answer your question- No, there is no charge for these books. In fact it was for the purpose of saving the farmers money that this book was prepared, rather than creating any expense for them.

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MR. KEPNER:

Well now that sounds fine Mr. Trent, but I don't see just how this record book is going to save a farmer any money. I surely would like to have an explanation of that statement.

MR. TRENT:

The explanation is very easy. The County Production Control Associations are self-sustaining units. All of the expenses incurred in the operation of these County Boards must be met by deductions from the benefit payments due to cooperating farmers of the county.

One of the duties of these county associations is the inspections of the farms under contract to determine if the terms of the contracts have been complied with. This is a duty that will require considerable time and likewise will constitute one of the larger items of expense. Anything that can be done to speed up this work will lessen the cost of operating these county associations and thereby result in a greater net benefit payment to the farmers.

MR. KEPNER:

You feel then that this record book will speed up inspection work and proof of compliance.

MR. TRENT:

Yes, I am quite sure that much less time will be required for those farmers to prove compliance who have such records than will be necessary where records are not available. The experience of the various county workers and farmers themselves in the preparation of contracts very definitely would lead to that conclusion. Much time was lost and many delays and extra trips were experienced in the preparation of contracts primarily because contracting farmers did not have record on their production and sales of the commodities being placed under contract.

Since these delays can be avoided by the use of this record book by the contracting farmers, and since much less time will thereby be required on the part of those checking on compliance, the costs of operating these county associations will be materially reduced and the farmers net benefit payment will also be larger.

MR. KEPNER:

From what I have heard about the difficulties some farmers experienced in preparing their contracts I should think that such a convenience would be greatly appreciated by them. However, does a farmer have to keep one of these record books for each different commodity which he has under a production control contract?

MR. TRENT:

No, this book is so arranged that the necessary records on all crops or livestock enterprises under contract can be kept in the same book. Since so many farmers who will be using these books have not been keeping such records before, this book has been made as simple as possible. Thus - most of the information necessary to prove compliance can be kept in one place.

MR. KEPNER:

If it is possible to record that much information in one of these books I suppose a farmer can tell at the end of the year how much money he has made from his years operations.

MR. TRENT:

No, you are wrong there. Although the book does provide space for several of the more important items of receipts it does not provide space for expenses other than for the purchase of the basic commodities. A farmer who would prefer to keep a more complete record book than the one provided by the Agricultural Adjustment Administration should send to the Extension Division of his state Agricultural College for one of that type.

MR. KEPNER:

Are all contracting farmers required to keep this particular book or can they use the state books in proving compliance with their contracts.

MR. TRENT:

Contracting farmers are not required to keep this particular book. Altho the contracts do call for certain records there is no specification as to just what form these records shall take. Therefore a farmer who has been using a record book obtained elsewhere will probably have all the information required in proving compliance and thus would not need one of the AGRICULTURAL ADJUSTMENT ADMINISTRATION record books.

A few states have sent to their farmers who have received the book put out by the State Agricultural College an insert page. This additional page will provide space to record the information needed in relation to proving compliance that had not previously been included in the state book. So one record book is all that a contracting farmer needs to keep.

MR. KEPNER:

How does ^a farmer go about it to get one of these books? Are you sending out a copy from Washington to each contracting farmer? Or does a farmer have to write to the Agricultural Adjustment Administration for his copy?

MR. TRENT:

The answer is no to both of the methods questioned. These books are being distributed by the Extension Divisions of the Department of Agriculture and the various State Extension forces. Each county agent has the lists of the farmers in his county who have signed production control contracts. Therefore he has made responsible for the distribution of these books within his county. Reports being received from various states indicate that in most instances the agents are distributing these books at community meetings at which time they can explain how the books should be kept. If a farmer does not receive his copy by this or other means he should get in touch with his county agent who should be able to provide him with one.

MR. KEPNER:

Have you had any reactions from farmers as to the value of this book to them?

MR. TRENT:

Yes, very decidedly. The development of the various agricultural programs has created a strong demand for this type of thing. Practically every state has indicated that more farmers are requesting account books this year than ever before, and in many instances the supply of state books has not been large enough to meet the demand. Likewise the supply of Agricultural Adjustment Administration record books originally printed was not large enough to meet all requests sent in from the different states. As a result the Agricultural Adjustment Administration has had to have over a half million additional copies printed. Farmers have been brought to the realization that farm records are of great value to them.

MR. KEPNER:

I presume that these record books will be of some value to farmers even after they have used them to prove compliance with their contracts.

MR. TRENT:

Decidedly so! (Some of the production adjustment contracts call for at least one more year of production regulation. Some form of production regulation agreements may be operative for a longer period of time. Such books will enable a farmer to keep in a readily available form the information necessary to fill out these contracts. Having this information in available form will also help materially in bringing about equitable adjustments.

Furthermore, such records lay the background for a more intelligent analysis of the farm business. If all our farmers were keeping adequate records on their farm businesses and were analyzing these records as other business men do, most of these farms would be operated with a greater profit than they are under the present system.

MR. KEPNER:

Would such a book properly kept be of any value to a farmer in obtaining a loan on his farm or for production purposes?

MR. TRENT:

Yes, such records are becoming almost essential in obtaining loans. All of our national banks require a credit statement when making a loan of any size. Loans obtained through the Farm Credit Administration are granted only after definite supporting evidence has been presented. Likewise most bankers want to know how much business a man is doing so that the prospects for the borrowers' being able to repay the loan can be more accurately gauged. Record books of this type or any other type that provides such information are of considerable value in enabling a farmer to obtain such loans.

I feel that without question the distribution of this record book and its use by the farmers contracting with the Administration marks a very important step in the improvement of our American agricultural system.